

**PUYALLUP SCHOOL DISTRICT No. 3**  
**Pierce County, Washington**  
**September 1, 1994 Through August 31, 1995**

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**Schedule Of Findings**

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1. Controls Over Associated Student Body Cash Receipting Need Improvement

Puyallup School District collects funds for Associated Student Body (ASB) activities in most of the schools in the district. The district has a policy on ASB cash controls which requires teachers to collect the moneys and complete a reconciliation form. The moneys are then given to the office secretary who deposits the funds in the bank in a timely manner. Our audit of eight ASB funds in the district revealed the ASB procedures manual was not consistently followed. We noted the following weaknesses:

- a. Deposits were not made in a timely manner. At one school over \$3,900 was placed next to the safe in a locked room. Some of the receipts were dated three months earlier. Large amounts of the money were not receipted or reconciled.
- b. Deposits were not made intact. The cash and check composition did not agree to the receipts. In some cases the amount of money did not agree to the attached reconciliations.
- c. Security over money was weak. Uncounted and unreceipted money was found locked in a file cabinet in a locked room to which six people had keys. At one school the safe was not locked.
- d. Records were not appropriately retained. At one school the ASB advisor did not maintain source documentation from the clubs and activities to support the receipt of funds collected.
- e. Nondistrict money was held in the district safe at several schools.

RCW 43.09.240 states:

Every public officer and employee of a local government shall keep all accounts of his or her office in the form prescribed and make all reports required by the state auditor. Any public officer or employee who refuses or willfully neglects to perform such duties shall be subject to removal from office in an appropriate proceeding for that purpose brought by the attorney general or by any prosecuting attorney.

Article XI, Section 15 of the *Constitution of the State of Washington* states:

All moneys, assessments and taxes belonging to or collected for the use of any county, city, town or other public or municipal corporation, coming into the hands of any officer thereof, shall immediately be deposited with the treasurer, or other legal depositary to the credit of such city, town, or other corporation respectively, for the benefit of the

funds to which they belong.

The weaknesses noted were due to a lack of understanding of required internal control procedures. This resulted in an increase in the risk that errors and irregularities may occur which might not be detected in the normal course of business. The weak controls also contributed to thefts at two schools, one for \$146 and one for \$1,000.

We recommend the district emphasize compliance with ASB procedures at the school level, and maintain an internal audit function. We also recommend the district take steps to ensure the timely deposit of ASB funds.